



IT IS HEREBY ADJUDGED and DECREED that the below described is SO ORDERED.

Dated: July 13, 2023.

A handwritten signature in cursive script that reads "Craig A. Gargotta".

**CRAIG A. GARGOTTA
CHIEF UNITED STATES BANKRUPTCY JUDGE**

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION**

IN RE:	§	CASE NO. 23-50779-CAG
ARTESIA SPRINGS, LLC,	§	
Debtor	§	CHAPTER 11 PROCEEDING
	§	SUBCHAPTER V

FINAL ORDER AUTHORIZING USE OF CASH COLLATERAL

On July 12th, 2023, the Court again considered the Emergency Motion of Artesia Springs, LLC ("Debtor") for Interim and Final Order Authorizing Use of Cash Collateral Pursuant to 11 U.S.C. §363 (the "Cash Collateral Motion"). After considering the Cash Collateral Motion, the related prior interim order and the statements and agreement of the parties, the Court finds that, on a final basis, a limited use of cash collateral is in the best interests of Debtor and its bankruptcy estate should be APPROVED. Based upon the Certificate of Service attached to the Cash Collateral Motion, the Court finds that notice of the Cash Collateral Motion was provided to Debtor's alleged secured creditors. The Court further finds that without final relief pursuant to Rule 4001 of the Federal Rules of Bankruptcy Procedure, Debtor and its estate will be immediately and irreparably harmed. It is, therefore,

ORDERED that Debtor is authorized to use cash collateral to avoid immediate and irreparable harm to Debtor and its bankruptcy estate. It is further

ORDERED that Debtor shall expend such cash collateral only pursuant to the terms of this Order and only pursuant to the provisions of Exhibit “A” attached to this Order (the “Budget”). It is further

ORDERED that Artesia’s use of Cash Collateral may vary weekly by 10% on any line item basis (other than with respect to the amounts set forth in the Budget for utility expenses which the Debtor is authorized to pay in the amount reflected on any utility bill for utility services incurred). It is further

ORDERED that Artesia is authorized to establish the Adequate Protection account under §366 as authorized by separate order. It is further

ORDERED that, subject to further order of this Court and/or subject to being subordinated, as additional adequate protection for alleged cash collateral used, Frost Bank (“Frost”), U.S. Small Business Administration (“SBA”), Fincoast Capital LLC (“Fincoast”), Firstbank Southwest (“Firstbank”) and Advantage Platform Services Inc. (“Advantage”) (collectively, the “Alleged Secured Creditors”), alleged secured creditors who asserted or assert a security interest in cash collateral are granted a replacement lien and security interest (securing payment of an amount equal to the amount of cash collateral, if any, used by Debtor, including, without limitation, any diminution in value of the cash collateral) on all of Debtor’s accounts, receivables and proceeds thereof to the extent acquired after the Petition Date. However, notwithstanding any provisions of this Interim Order, the ad valorem tax liens currently held by Bexar County or any post-petition statutory liens which shall arise post-petition pursuant to Texas law (collectively the “Tax Liens”), incident to any real property or tangible personal property shall neither be primed by nor

subordinated to any liens granted herein. It is further

ORDERED nothing herein shall be construed to be a determination of the validity, extent or priority of the alleged claims, liens and security interests or ownership interests of the Alleged Secured Creditors. It is further

ORDERED that, in August 2023 and each subsequent month while this case is pending, the Debtor is authorized to make a \$5,000 post-petition retainer payment to the Law Offices of William B. Kingman, P.C. ("WBK"). Debtor shall deliver such payment to WBK's IOLTA account to be held until fees are approved pursuant to a subsequent court order. It is further

ORDERED that the Debtor shall not be permitted to make any payments on account of any prepetition debt or obligation prior to the effective date of a confirmed chapter 11 plan or plans with respect to the Debtor, except: (a) as provided in any order in connection with any request for relief sought by the Debtor; and (b) as expressly provided in this order or any other motions, orders, and requests for relief. It is further

ORDERED that an order confirming Debtor's Plan of Reorganization (if and as modified) shall, upon becoming final and non-appealable, supersede this order.

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Submitted by:

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PROPOSED COUNSEL FOR DEBTOR

Artesia Springs LLC				
Budget for 90 Day Period				
	Jul-23	Aug-23	Sep-23	Oct-23 - Confirmation
Beginning Cash Balance	39,011	44,024	53,712	53,663
Accounts Receivable - prior month sales	78,884	71,921	87,131	77,310
Sales Collected Net	123,293	149,368	132,532	131,295
Revolving Note - Kash and Patel	5,000	5,000		
Expenses:				
Raw Material Purchases - Water Coolers	3,900	3,900	2,600	3,900
Raw Material Purchases - 1/2 liter preforms	23,639	25,452	20,975	25,452
Raw Material Purchases - Case Water	12,830	12,830	12,830	12,830
Raw Material Purchases - 4 Gallons	11,417	12,293	10,130	12,293
Raw Material Purchases - 5 Gal preforms	9,577	10,312	8,498	10,312
Raw Material Purchases - 4/5 gal caps	5,006	5,390	4,441	5,390
Raw Material Purchases - 1/2 lter Caps	606	653	538	653
Raw Material Purchases - Labels	2,670	2,875	2,369	2,875
Post Bankruptcy Support Costs/Subchapter V trustee	7,500	7,500	7,500	7,500
Legal Fees - Post Position	5,000	5,000	5,000	5,000
Guaranteed Payments	7,333	7,333	7,333	7,333
Bank Service Charges/Credit Card Fees	3,185	3,294	2,759	3,185
Fuel - Van/Truck - HOD	12,519	15,091	12,334	15,091
Insurance - Vehicle/GL/Umbrella/Work Comp	5,559	5,559	5,559	5,559
Interest Expense	38	38	0	
Note payment		5,000	5,000	
Equipment Lease	1,763	1,763	1,763	1,763
Equipment Repairs	1,983	1,678		1,983
Payroll Processing Fees	342	342	342	342
Payroll Taxes	3,774	3,887	3,670	3,887
Salary - Driver HOD	22,224	23,089	22,570	23,089
Salary - Warehouse	11,253	11,639	9,750	11,639
Salary - Accountant	4,616	4,616	4,616	4,616
Salary - Office Staff	4,901	4,901	4,901	4,901
Truck Lease HOD	12,456	14,289	12,456	14,289
Health Insurance	4,599	4,599	4,599	4,599
Building Lease	12,010	12,010	12,010	12,010
Office Supplies	610	610	610	610
Janitorial	450	450	450	450
Pest Control	242	242	242	242
Phone Service/Cell Phone	762	767	762	862
Postage & Delivery	19	19	19	19
Repairs - Vehicles	4,200	3,500		4,200
Utilities	5,007	5,507	4,552	5,507
Water Testing	173	173	173	173
Truck Lease HOD in Arrears			11,736	
Utilities in Arrears			2,063	
Building Lease in Arrears			14,560	
Ending Cash Balance	\$ 44,024	\$ 53,712	\$ 53,663	\$ 49,714